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09/541,391	03/31/2000	Rick Dedrick	042390.P7954	3488

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EXAMINER

ABDI, KAMBIZ

ART UNIT

PAPER NUMBER

3621

DATE MAILED: 08/27/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/541,391

Applicant(s)

DEDRICK ET AL.

Examiner

Kambiz Abdi

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 29 July 2003.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1,3-6,8-14,16-22 and 24 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,3-6,8-14,16-22 and 24 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413) Paper No(s) \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

### **DETAILED ACTION**

1. The prior office actions are incorporated herein by reference. In particular, the observations with respect to claim language, and responses to previously presented claims and arguments.

- Claims 1, 3-5, 10, and 17 have been amended.
- Claims 1, 3-6, 8-14, 16-22, and 24 are pending.

#### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114 was filed in this application after appeal to the Board of Patent Appeals and Interferences, but prior to a decision on the appeal. Since this application is eligible for continued examination under 37 CFR 1.114 and the fee set forth in 37 CFR 1.17(e) has been timely paid, the appeal has been withdrawn pursuant to 37 CFR 1.114 and prosecution in this application has been reopened pursuant to 37 CFR 1.114. Applicant's submission filed on 29 July 2003 has been entered.

#### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1, 3-6, 8-14, 16-22, and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,189,146 to Pradyumna K. Misra in view of 5892900 to Karl L. Ginter, and 6,269,343 to Matthew G. Pallakoff.

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4. As for claims 1, 3-6, 8-14, 16-22, and 24, Misra discloses an apparatus comprising;
- Claims 1, 10, 17; a repository for storing a volume license agreement for a product, wherein the volume licensing agreement is obtained from a clearinghouse; (See Misra column 6, lines 50-68 and column 7, lines 1-11);
  - Claims 1, 10; a repository for maintaining a purchase history (See Misra tables 3 and 4, column 9, lines 29-61, and column 4, lines 15-30);
  - Claims 1, 10; a pricing generator, (See Misra figures 3 and 4, column 2, lines 32-61).
  - Claim 1, 10; a clearinghouse, the clearinghouse being remotely connected to the pricing generator over a communications network (See Misra figures 1 and 3, column 3, lines 59-68, and column 4, lines 1-13).
  - Claims 24, 3; the communications network is the Internet (See Misra column 4, lines 1-21).
  - Claim 4; the clearinghouse is further remotely connected to at least one of a plurality of publishers, the publishers periodically transmitting a new volume licensing agreement to the clearinghouse (See Misra column 2, lines 47-68).
  - Claim 5; the clearinghouse is further remotely connected to at least one of a plurality of distributors, the distributors periodically transmitting a new volume licensing agreement to the clearinghouse (See Misra column 2, lines 47-68).
  - Claim 6, 20; purchase history is updated to reflect the transacted purchase (See Misra tables 3 and 4, column 4, lines 15-30, and column 9, lines 29-61).
  - Claim 9; an electronic distribution mechanism to automatically install the purchased product (See Misra column 6, lines 20-45 and column 8, lines 35-52).
  - Claim 13; include instructions to extract the volume license agreement from a remote clearinghouse (See Misra column 4, lines 49-68).

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- Claim 14; storing instructions further include extracting updated information about the products license under the volume licensing agreement (See Misra column 11, lines 25-45 and column 15, lines 19-36).
- Claim 19; recording a history of purchases includes recording a point value associated with the purchase in accordance with the volume license agreement (See Misra column 2, lines 22-47 and column 4, lines 1-42).

Misra fails to teach the following features which are thought by Pallakoff and Ginter.

- Claim 1; a pricing generator to generate a purchase price for the product in accordance with the volume license agreement and the purchase history (See Pallakoff column 7, lines 15-59 and Ginter column 22, lines 26-68, column 23, lines 1-44, column 24, lines 9-68, and column 25, lines 1-35).
- a rules engine containing a set of rules for determining a discount step for the product in accordance with the volume licensing agreement (See Pallakoff column 7, lines 15-59 and Ginter column 22, lines 26-68, column 23, lines 1-44, column 24, lines 9-68, and column 25, lines 1-35).
- Claims 8, 16, 21; the rules engine further contains a set of rules for determining a discount step for the product in accordance with a profile of the user (See Pallakoff column 7, lines 15-59 or Ginter column 22, lines 26-68, column 23, lines 1-44, column 24, lines 9-68, and column 25, lines 1-35).
- Claim 1; the purchase price is generated in response to a purchaser request (See Pallakoff column 7, lines 30-59 or Ginter column 22, lines 26-68, column 23, lines 1-44, column 24, lines 9-68, and column 25, lines 1-35).
- Claims 11, 12; communicating the purchase price to the user in a visual display (See Pallakoff column 4, lines 42-63 or Ginter column 22, lines 26-68, column 23, lines 1-44, column 24, lines 9-68, and column 25, lines 1-35).
- Claims 18, 22; communicating the approval by the user to purchase in a response to the visual display (See Pallakoff column 7, lines 5-30 or Ginter

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column 22, lines 26-68, column 23, lines 1-44, column 24, lines 9-68, and column 25, lines 1-35).

5. Furthermore, Misra is not explicit on a pricing method of the digital content as is licensed, distributed and managed through its system. Even though Misra discloses the collection of purchase history but Misra is not clear about the purpose of this data being used for eventual pricing of the digital content to be delivered through the system. However, both Pallakoff and Ginter clearly teach a pricing generator. Ginter clearly teaches the usage of all types of information (Historical, time period purchasing, limit purchasing, and many other metering activities) collected by the licensing system in order to calculate a price for the further licensing of data to be paid by the end user. Collected information is used as a determinant tool to calculate discounts for an agreed upon levels of discount in the license agreement. Therefore, it would have been obvious to one having ordinary skill in the art at the time the current invention was made to combine the above teaching to create a more accurate and efficient system to track licensing digital content and make available further obtaining of digital content in amore favorable discounted rates based on the volume purchasing history.

6. A volume discount can be set as a pre-determinant criterion of discounting in addition to or separate from the historical purchasing of the end user activities base on a license agreement (See applicants discloser page 2, paragraph 3 and page 3, paragraph 1 and 2). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have added a well-known practice of volume discount pricing method in conjunction with a past purchasing history to calculate a discount level, to a license management system such as Misra's. Since it has been held that broadly providing a mechanical or automatic means to replace manual activity such as calculating prices, discounts or such, which has accomplished the same result, involves only routine skill in the art. In re Vernner, 120 USPQ 192. This combination would have been obvious to one of ordinary skill in the art for greater efficiency and economy in the management of licensing and pricing of volume discounted goods or services.

***Response Arguments***

7. Applicant's arguments filed on 29 July 2003 have been fully considered but they are not persuasive. Examiner is maintaining the previous rejection of the claimed invention based on office actions mailed to the applicant.

8. The applicant has put forward the argument that claim 1 recites the "wherein the volume licensing agreement is obtained from a clearing house." With respect to the argument examiner disagrees with the applicant. As it is clear by the Misra reference that the license server obtains the licenses needed from the clearing house, which contains a license producer (VLA) as well as keeping an image of the same in the license server as it is clear in figures 1 and 3 of the Misra reference. It is clear that there is a local license generator within the license server (28) that is called "secure license store" (112). It is clear that the license server does function as a holder of licenses generated and creates new licenses based on demand and agreements between a grantor (26) of licenses and users of licenses (30). In addition what Misra is contending is that licenses are obtained from the clearinghouse based on a volume licensing agreement (license pack) and used. As the number of licenses are reduced and reach zero the license server obtains new licenses from the clearinghouse based on the volume license agreement (See Misra column 4, lines 1-59, and column 8, lines 35-41).

9. As for communication between the elements of Misra reference, it is clear that elements are clearly using networks to communicate with each other and the clearinghouse.

10. It is admitted by the applicant the historical practice of volume discounting, in addition to that, Ginter clearly teaches the volume discount by taking to consideration volume of purchase and the historical data on the volume purchases made by the single entity (See Ginter column 22, lines 48-52). Ginter clearly teaches the step discounts (Ginter "...might be discounted by 15%...") as well. The argument has been put forward by the applicant regarding the adding a well known practice of volume discounting in the

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software industry to the Misra reference is not obvious is rejected by the examiner. It is clear from the applicant's own admittance of volume license agreement being a well-known practice in the industry (See specification page 1, lines 14-27).

11. Additionally it has been admitted by the applicant that this practice has been done manually and now it is automated (See application specification page 3, paragraph 2, lines 3-11). Examiner respectfully disagrees with the applicant, according to the specification and disclosure of the fact that practice of volume discount is a prevalent practice within the art and it has been done manually. Additionally it is well known practice once a customer has requested a "Request For Purchase" (RFP) a sales person would have to provide a end user or purchaser with a written proposal that would have a multiple terms and conditions in addition to a discount level (Step) and price. This traditionally has been provided in a document form. This document would have displayed the purchase price and by agreeing to the price a transaction would be consummated. Therefore, it is clear that the manual activity could be made automated that would achieve the same results. Since it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. In re Vernner, 120 USPQ 192. This addition of this step to Misra's system would have been obvious to one of ordinary skill in the art for greater efficiency and economy in the management of licensing and pricing of volume discounted goods or services. Misra clearly states the fact the license packs are purchased based on the need of volume discount. As for Ginter reference it clearly states that the system makes the decision on the price based on the volume discount. Therefore it is inherent within the Ginter system to contain and store all the relevant information of the volume licensing agreement within the system.

### ***Conclusion***

12. Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the



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specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kambiz Abdi whose telephone number is (703) 305-3364. The examiner can normally be reached on 9:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703)308-1113.

Any response to this action should be mailed to:

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or faxed to:

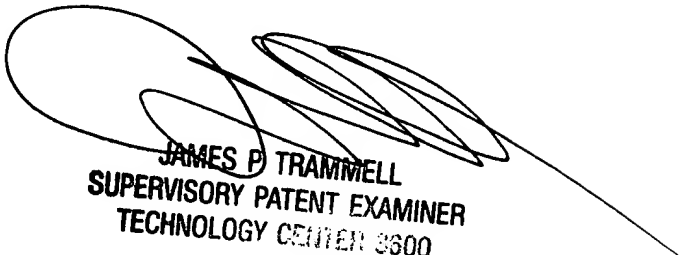
(703) 872-9306 [Official communications; including After Final communications labeled "Box AF"]

(703) 746-7749 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to:

**Crystal Park 5, 2451 Crystal Drive  
7th floor receptionist, Arlington, VA,  
22202**

**Abdi/K  
August 21, 2003**

  
**JAMES P. TRAMMELL  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600**